

Minutes of the Regular Business Meeting of the
Board of Mayor and Aldermen of the City of Kingsport, Tennessee
Tuesday, January 8, 2013, 7:00 PM
Large Court Room – City Hall

PRESENT:

Board of Mayor and Aldermen

Mayor Dennis R. Phillips, Presiding
Alderman John Clark
Alderman Valerie Joh
Alderman Mike McIntire

Vice-Mayor Tom C. Parham
Alderman Tom Segelhorst
Alderman Jantry Shupe

City Administration

John G. Campbell, City Manager
J. Michael Billingsley, City Attorney
James H. Demming, City Recorder

- I. **CALL TO ORDER:** 7:00 p.m., by Mayor Dennis R. Phillips.
- II.A. **PLEDGE OF ALLEGIANCE TO THE FLAG:** Boy Scout Troop 155 – Vermont United Methodist Church.
- II.B. **INVOCATION:** Mr. Will Lauderback, Associate Minister – First Broad Street United Methodist Church.
- III. **ROLL CALL:** By City Recorder Demming. All Present.
- IV. **RECOGNITIONS AND PRESENTATIONS.** Alderman Clark introduced his mother, Anita Clark. He stated she was visiting Kingsport, noting she lives on an island in southern Florida. She was impressed with the progress made in the city.
- V. **APPROVAL OF MINUTES.**

Motion/Second: Joh/Parham, to approve minutes for the following meetings:

- A. December 17, 2012 Regular Work Session
- B. December 18, 2012 Regular Business Meeting

Approved: All present voting “aye.”

VI. **COMMUNITY INTEREST ITEMS.**

AA. **PUBLIC HEARINGS.** None.

A. **PUBLIC COMMENT.** Mayor Phillips invited citizens in attendance to speak about any of the remaining agenda items. Mr. Mark Smelcer from Blountville, commented on Item VI.B.2 on behalf of the organization Friends in Need of Kingsport regarding a possible partnership with the City. Mayor Phillips stated this item was being pulled from the agenda tonight for further discussion.

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B. BUSINESS MATTERS REQUIRING FIRST READING.

1. Consideration of a Budget Ordinance Authorizing the Transfer of Visitor Enhancement Program Funds to the Kingsport Convention and Visitors Bureau (AF: 15-2013). City Manager Campbell gave information on this item, stating the KCVB has the opportunity to increase the number of sporting events in Kingsport. They have invested some of their reserve money in additional basketball courts for tournaments. Alderman Clark commented this was a good idea to help with economic development and promote the use of Meadowview.

Motion/Second: Segelhorst/Clark, to pass:

AN ORDINANCE TO AMEND THE VISITORS ENHANCEMENT FUND OPERATING BUDGET BY APPROPRIATING FUNDS TO THE KINGSFORT CONVENTION AND VISITORS BUREAU FOR THE YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

2. Consideration of an Ordinance to Establish the Health and Wellness Center Operating Budget (AF: 18-2013). This agenda item was deferred until the regular BMA Meeting on February 5, 2013.

Motion/Second: Shupe/Joh, to defer:

AN ORDINANCE TO AMEND THE HEALTH INSURANCE FUND BUDGET BY APPROPRIATING FUNDS TO ESTABLISH THE HEALTH AND WELLNESS CENTER OPERATING BUDGET FOR THE YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Deffered on first reading: All present voting "aye."

3. Consideration of an Ordinance to Establish the Aquatic Center Operating Budget (AF: 17-2013). City Manager Campbell stated this start-up budget would fund the Aquatic Center for the remainder of this fiscal year. Assistant to the City Manager Chris Manager provided further details, noting that although it is not scheduled to open until May, these funds would allow for marketing, supplies and personnel. He confirmed for the BMA that a director has been hired and will start on Monday. He provided information about the Aquatic Center's website and answered questions from the Board.

Motion/Second: Parham/Clark, to pass:

AN ORDINANCE TO ESTABLISH THE AQUATIC CENTER FUND BUDGET FOR THE YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on first reading: All present voting "aye."

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C. BUSINESS MATTERS REQUIRING FINAL ADOPTION.

1. Consideration of Ordinances to Amend Zoning of Parcels 98.50, 97.50, 67.00, 58.20, 58.00, 59.10, 61.00, 62.00, 63.00, 56.10, 63.50 of Tax Map 119 and Parcels 1.00, 1.10 and 1.20 of Tax Map 120 and Excluding Parcel 59.00 of Tax Map 119 Located on or Adjacent to Interstates 81 & 26, Fordtown Road and Mitchell Road from M-1R, B-4P, B-3, R-3 and A-1, to TA/C, Tourist Accommodation/Commerce (AF: 343-2012).

Motion/Second: McIntire/Shupe, to pass:

ORDINANCE NO. 6276, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO REZONE PROPERTY KNOWN AS THE FORDTOWN ROAD – TAYLOR PROPERTIES ADJACENT TO INTERSTATE 81 AND 26 FROM M-1R, RESTRICTED INDUSTRIAL DISTRICT, B-4P, PLANNED BUSINESS DISTRICT, B-3, GENERAL BUSINESS DISTRICT, R-3, LOW DENSITY APARTMENT DISTRICT AND A-1, AGRICULTURAL TO TA/C, TOURIST ACCOMODATION/COMMERCE DISTRICT IN THE 14TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

2. Consideration of an Ordinance to Rezone Property along Union Street to R-3, Low Density Apartment (AF: 348-2012).

Motion/Second: McIntire/Joh, to pass:

ORDINANCE NO. 6277, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG UNION STREET TAX MAP 45D, GROUP K, PARCEL 1.15 TO R-3, LOW DENSITY APARTMENT DISTRICT, IN THE 12TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

3. Consideration of an Ordinance to Rezone Property along Union Street to B-3, General Business District (AF: 349-2012).

Motion/Second: McIntire/Shupe, to pass:

ORDINANCE NO. 6278, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG UNION STREET TAX MAP 45D, GROUP K, PARCELS 1.00 and 1.05 TO B-3, GENERAL BUSINESS DISTRICT, IN THE 12TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

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4. Consideration of an Ordinance to Rezone Property along West Stone Drive and Lynn Garden Drive to B-3, General Business District (AF: 350-2012).

Motion/Second: McIntire/Joh, to pass:

ORDINANCE NO. 6279, AN ORDINANCE TO FURTHER AMEND THE ZONING CODE, TEXT AND MAP, TO ZONE PROPERTY ALONG WEST STONE DRIVE TAX MAP 45D, GROUP D, PARCEL 3.50 AND GROUP K, PARCELS 3.10, 4.00, 4.01, 5.00, 6.00 and 7.00 TO B-3, GENERAL BUSINESS DISTRICT, IN THE 12TH CIVIL DISTRICT OF SULLIVAN COUNTY; TO FIX A PENALTY FOR THE VIOLATION OF THIS ORDINANCE; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

D. OTHER BUSINESS.

1. Consideration of a Resolution Awarding the Bid for the Purchase of One (1) Articulating Brush Loader to Smoky Mountain Truck Center, LLC (AF: 04-2013).

Motion/Second: Joh/Shupe, to pass:

Resolution No. 2013-101, A RESOLUTION AWARDED THE BID FOR THE PURCHASE OF ONE ARTICULATING BRUSH LOADER TO SMOKY MOUNTAIN TRUCK CENTER, LLC AND AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR THE SAME

Passed: All present voting "aye."

2. Consideration of a Resolution Approving an Agreement with the Industrial Development Board of the City of Kingsport, Tennessee Pertaining to Certain Tax Revenue in the Border Region Retail Tourism Development District (AF: 06-2013). City Manager Campbell stated this sets up an agreement to turn additional state sales tax returned to the city as laid out in state law over to the KEDB for continued development of this area.

Motion/Second: Parham/Clark, to pass:

Resolution No. 2013-102, A RESOLUTION APPROVING AN AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF KINGSFORT, TENNESSEE PERTAINING TO TAX REVENUES RECEIVED BY THE CITY FOR A PROJECT IN THE BORDER REGION RETAIL TOURISM DEVELOPMENT DISTRICT; AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT; AUTHORIZING THE MAYOR TO MAKE CERTAIN CHANGES TO THE AGREEMENT; MAKING CERTAIN FINDINGS; AND FIXING THE EFFECTIVE DATE OF THIS RESOLUTION

Passed: All present voting "aye."

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3. Consideration of a Resolution Authorizing the Rejection of All Bids Received for Alterations to the Former American Legion Building (at Dobyns-Bennett High School) (AF: 05-2013).

Motion/Second: McIntire/Joh, to pass:

Resolution No. 2013-103, A RESOLUTION REJECTING ALL BIDS RELATED TO THE ALTERATIONS TO THE FORMER AMERICAN LEGION BUILDING PROJECT

Passed: All present voting "aye."

4. Consideration of a Resolution to Enter Into a Contractual Agreement with the Tennessee Department of Transportation for Reimbursement for Carryover Operating Expenses for FY12-16 (AF: 07-2013).

Motion/Second: Joh/Shupe, to pass:

Resolution No. 2013-104, A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE TENNESSEE DEPARTMENT OF TRANSPORTATION FOR REIMBURSEMENT OF CITY TRANSIT SYSTEM CARRYOVER OPERATING EXPENDITURES FOR FISCAL YEARS 2012-2016

Passed: All present voting "aye."

5. Consideration of a Resolution Authorizing the Mayor to Sign All Applicable Documents for Termination of the Support Services Agreements (Exhibit C) with Energy Systems Group, LLC (ESG) as Referenced in the Guaranteed Energy Savings Performance Contracts Phase I and Phase II (AF: 03-2013). City Manager Campbell stated the criteria have continually been met and to save money, there is no need for continued monitoring.

Motion/Second: Joh/Parham, to pass:

Resolution No. 2013-105, A RESOLUTION AUTHORIZING THE MAYOR TO SIGN ALL APPLICABLE DOCUMENTS FOR THE TERMINATION OF THE SUPPORT SERVICES AGREEMENT (EXHIBIT C) WITH ENERGY SYSTEMS GROUP, LLC

Passed: All present voting "aye."

6. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary and Proper to Apply for and Receive Arts Project Support Grant from the Tennessee Arts Commission (AF: 08-2013). City Manager Campbell noted this grant benefited the sculpture walk.

Motion/Second: Parham/Shupe, to pass:

Resolution No. 2013-106, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ARTS PROJECT SUPPORT GRANT FROM THE TENNESSEE ARTS COMMISSION

Passed: All present voting "aye."

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7. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary and Proper to Apply for and Receive Arts Education Community Learning Grant from the Tennessee Arts Commission (AF: 09-2013). City Manager Campbell stated this grant supports promotion of the carousel project.

Motion/Second: Joh/Parham, to pass:

Resolution No. 2013-107, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN ARTS EDUCATION COMMUNITY LEARNING GRANT FROM THE TENNESSEE ARTS COMMISSION FOR THE CAROUSEL PROJECT

Passed: All present voting "aye."

8. Consideration of a Resolution Authorizing the Mayor to Execute All Documents Necessary and Proper to Apply for and Receive Our Town Grant from the National Endowment for the Arts (AF: 10-2013). City Manager Campbell pointed out this grant was competitive and difficult to obtain and will support both the sculpture walk and the carousel.

Motion/Second: Joh/Shupe, to pass:

Resolution No. 2013-108, A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY AND PROPER TO APPLY FOR AND RECEIVE AN OUR TOWN GRANT FROM THE NATIONAL ENDOWMENT FOR THE ARTS

Passed: All present voting "aye."

9. Consideration of a Detailed Bond Resolution Authorizing the Issuance of Not to Exceed \$43,250,000 General Obligation Refunding Bonds of the City of Kingsport (AF: 12-2013). City Recorder Demming provided details on this item and stated the city has the opportunity based on low rates to refund bond money from the general fund and also from water and sewer for a savings of three to five percent, which is approximately 2.4 million dollars. City Attorney Billingsley pointed out the action form and supplemental documents listed a not to exceed amount of \$42,710,000; however the resolution lists this amount as \$43,250,000. Mr. Demming confirmed the higher amount listed on the resolution is correct. Mayor Phillips commented that in essence, this was the same concept as an individual refinancing their mortgage to get a lower interest rate.

Motion/Second: Shupe/Joh, to pass:

Resolution No. 2013-109, RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE, AND PAYMENT OF NOT TO EXCEED \$43,250,000 GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013, OF THE CITY OF KINGSPORT, TENNESSEE, AND PROVIDING THE DETAILS THEREOF

Passed: All present voting "aye."

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10. Consideration of a Resolution Approving the Proposal of CareHere as the Provider of Health, Wellness and Occupational Medicine Clinic Center Services for City of Kingsport Employees and Authorizing the Mayor to Execute an Agreement for the Same (AF: 19-2013). This agenda item was deferred until the regular BMA Meeting on February 5, 2013.

Motion/Second: Joh/Shupe, to defer:

A RESOLUTION ACCEPTING THE PROPOSAL OF CAREHERE, L.L.C. AS THE PROVIDER AND ADMINISTRATOR OF HEALTH, WELLNESS, AND OCCUPATIONAL MEDICINE SERVICES AND AUTHORIZING THE MAYOR TO SIGN AN AGREEMENT WITH CAREHERE, L.L.C., AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AGREEMENT

Deferred: All present voting "aye."

11. Consideration of a Resolution Approving an Amendment to the Permanent Easement Agreement for the Meadowview Resort, Conference and Convention Center and Authorizing the Mayor to Execute the Same (AF: 20-2013).

Motion/Second: Segelhorst/Clark, to pass:

Resolution No. 2013-110, A RESOLUTION APPROVING AN AMENDMENT TO THE PERMANENT EASEMENT AGREEMENT FOR THE MEADOWVIEW RESORT CONFERENCE AND CONVENTION CENTER AND AUTHORIZING THE MAYOR TO EXECUTE THE AMENDMENT AND ALL DOCUMENTS NECESSARY AND PROPER TO EFFECTUATE THE PURPOSE OF THE AMENDMENT

Passed: All present voting "aye."

E. APPOINTMENTS/REAPPOINTMENTS. None.

VII. CONSENT AGENDA. *(These items are considered under one motion.)*

Motion/Second: Segelhorst/McIntire, to adopt:

1. Consideration of an Ordinance to Amend the Drug Fund Budget by Appropriating Funds for a Specified Project (AF: 359-2012).

Adopt:

Ordinance No. 6280, AN ORDINANCE TO AMEND THE DRUG FUND BUDGET BY APPROPRIATING FUNDS FOR THE VARIOUS PROJECTS FOR THE YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

2. Consideration of an Ordinance to Appropriate Cultural Arts Funding Received from Tennessee Arts Commission (AF: 225-2012).

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Adopt:

Ordinance No. 6281, AN ORDINANCE TO AMEND THE GENERAL FUND BY APPROPRIATING GRANT FUNDS RECEIVED FROM THE TENNESSEE ARTS COMMISSION FOR THE YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

3. Consideration of an Ordinance to Amend Various Project Funds (AF: 351-2012).

Adopt:

Ordinance No. 6282, AN ORDINANCE TO AMEND THE GENERAL PROJECT AND GENERAL PROJECT-SPECIAL REVENUE FUND BUDGETS BY TRANSFERRING FUNDS FROM VARIOUS PROJECTS FOR THE FISCAL YEAR ENDING JUNE 30, 2013; AND TO FIX THE EFFECTIVE DATE OF THIS ORDINANCE

Passed on second reading in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

4. Consideration of an Approval of Offer for Easements and Right-of-Ways for North Kingsport/West Carters Valley Sanitary Sewer Extension Project (AF: 01-2013).

Approve:

OFFERS FOR EASEMENTS AND RIGHT-OF-WAY FOR THE NORTH KINGSPORT/ WEST CARTERS VALLEY SANITARY SEWER EXTENSION PROJECT

Passed in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

5. Consideration of Approval of Offer for Easement and Right-of-Way for the Jackson Property Sanitary Sewer and Water Line Easements Project (AF: 02-2013).

Approve:

OFFERS FOR EASEMENTS AND RIGHT-OF-WAY FOR THE JACKSON PROPERTY SANITARY SEWER AND WATER LINE EASEMENTS PROJECT

Passed in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips voting "aye."

6. Consideration of Acceptance of FY12 Comprehensive Annual Financial Report (AF: 11-2013). Alderman McIntire provided information on this item, stating he was pleased to report the city received an unqualified opinion in an excellent report from the auditors. He stated there were three findings and gave an explanation for each one. He pointed out the city received over 15 million dollars in federal and stated awards. Mr. McIntire congratulated city staff for a job well done.

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Accept:

ACCEPTANCE OF FY12 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Passed in a roll call vote: Clark, Joh, McIntire, Parham, Segelhorst, Shupe and Phillips
voting "aye."

VIII. COMMUNICATIONS.

- A. CITY MANAGER.** Mr. Campbell congratulated the Finance Department and everyone who worked on the audit. He also recognized the Dobyns-Bennett High School band for being selected to participate in the inauguration parade later this month.
- B. MAYOR AND BOARD MEMBERS.** Alderman McIntire wished everyone a happy and healthy new year.

Alderman Shupe reiterated the appreciation for city staff.

Alderman Joh reminded everyone to make sure their pets had shelter and unfrozen water in the cold weather and to report it if they see otherwise.

Alderman Segelhorst thanked Ms. Anita Clark and Boy Scout Troop 155 for their attendance. He also commented on the DB band and pointed out over 200 bands are invited but only 20 are selected to participate. Mr. Segelhorst stated it was the right thing to table the health care item tonight, based on the feedback he has received today. He said it should be reevaluated before moving forward. Mr. Segelhorst asked Public Works Director Ryan McReynolds to announce alterations to the trash pick-up schedule in light of the Martin Luther King, Jr. holiday. Mr. McReynolds confirmed that although city offices would be closed, the trash schedule will remain the same.

Alderman Clark wished everyone a happy new year and commented on the audit. He stated the city was a big business with lots of revenues, costs, employees and customers. He noted it was great to have a clean slate audit report and applauded city staff. Lastly, Mr. Clark thanked his mother for visiting Kingsport and attending the meeting.


Vice-Mayor Parham listed some of the contributions and programs initiated by every city department and noted a supportive Board. Mr. Parham commented on the death of Clark Jenkins, minister at First Broad Street United Methodist Church, and the positive effect he had on the Kingsport community.

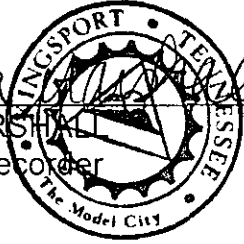
Mayor Phillips thanked the boy scouts and their leaders in attendance, noting it was encouraging to see young people with parental involvement. He also commented on the many successful athletes that have come from Kingsport, noting the city is well represented in college and professional sports.

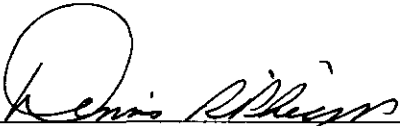
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C. VISITORS. Mr. Reedy Toney commented on the success of the girls' tennis team at Dobyns-Bennett. Ms. Jeannie Bourne stated she was a University of Miami alumni and noted she was proud of the country at that time.

IX. ADJOURN. Seeing no other business for consideration at this meeting, Mayor Phillips adjourned the meeting at 8:05 p.m.


ANGELA MARSHALL
Deputy City Recorder




DENNIS R. PHILLIPS
Mayor